



**Testimony of Karen Hobert Flynn
Before the Appropriations Committee
Tuesday, February 10, 2009**

My name is Karen Hobert Flynn and I am the Vice President of state operations for the national organization of Common Cause and former Chair of Common Cause in Connecticut, and one of the advocates who worked to urge the General Assembly and the Governor to pass the Citizens Election Program in 2005, as well as important fixes to that law in 2006 and 2007.

Common Cause in Connecticut is a nonpartisan, nonprofit citizen lobby that works to improve the way Connecticut's government operates. Common Cause has more than 400,000 members around the country and 36 state chapters. We have approximately 7200 members and activists in Connecticut.

I appreciate the hard work of the Appropriations committee and the General Assembly as you seek to deal with the budget challenges that we face in Connecticut today. **I am here today to testify in opposition to the Governor's plan to repeal critical safeguards that the General Assembly enacted in 2004 to protect all the government watchdog agencies from political retribution. We also strongly oppose the Governor's cuts to the Citizen Election program, which Common Cause believes will bleed the program dry. Finally, we oppose moving the State Elections Enforcement Commission (SEEC) expenditures into the Citizen Election Fund because it results in a significant cut in resources for candidate grants.**

CC Opposes Repeal of Safeguards for Watchdogs

The Governor's plan to repeal Section 9-7c of the General Statutes with regard to the State Elections Enforcement Commission (SEEC) and similar statutes affecting the other watchdog agencies is a dramatic break from the significant ethics and campaign finance reforms enacted in the wake of Rowland's resignation. Governor Rell needs to remember why we enacted this critical safeguard for the State Ethics Commission (as it was called in 2004), the SEEC, and the Freedom of Information Commission. Over the years, there have been many attempts to cripple the Ethics agency in particular by cutting staff or slashing their funding. And an effort to particularly target the Ethics Commission paved the way for us to move to protect each of these commissions which conduct critical work to ensure the integrity, fairness, and openness of state government.

In 2003, Governor Rowland proposed slashing the three watchdog commissions, including the Ethics Commission budget by 50% and merging them into one agency



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with commissioners appointed only by him. At the time, the Ethics Commission had recently fined Rowland for accepting illegal gifts of tickets to concerts. No one except John Rowland knows why he proposed slashing the watchdog's budgets, but his actions certainly gave the appearance of him seeking to exact political retribution on the Ethics Commission for fining him. Soon after his budget proposal, the State Elections Enforcement Commission began an investigation of Rowland's use of a Republican Party credit card.

A public outcry helped convince Rowland to drop his merger plans and the General Assembly restored some – but not all -- of the watchdog agency funding. But more importantly, by a unanimous vote in the Senate and a vote of 140 to 9 in the House, the General Assembly passed an important government accountability measure that allowed the three watchdog commissions to present their fiscal requests for the upcoming biennium and those numbers are to go in the Governor's budget without any changes. The Governor's office can certainly make recommendations to the General Assembly about any changes, but the law left it to the General Assembly to evaluate those requests. Such a process protects those agencies from political retribution or revenge. It is far less likely that the legislature, made up of dozens of legislators, would act a single entity to go after one of these three agencies.

We urge you to reject the Governor's proposal to repeal those critical good government protections. In fact, we believe Governor Rell's budget proposal violates Section 9-7c of the General Statutes* by consolidating the State Elections Enforcement Commission expenditures into the Citizens Election Fund, which ends up as a net cut for that agency's budget. We urge the Governor to reconsider her plans and leave the SEEC expenditures where they are and ask her to leave the remaining resources for the Citizen Election fund.

Budget Cuts will Cripple Citizens Election Program

Common Cause is deeply troubled by the Governor's proposal to cut \$12 million in revenue for the Citizens Election fund in 2010 and \$12 million more in 2011. The Governor's budget mitigation package that passed in November 2008 already cut \$5 million from the fund and the January 2009 deficit package stripped another \$7.5 million from the fund. In addition, moving the SEEC's expenditures into the CEF further reduces what resources will be available for candidate grants. **All of these cuts make it challenging to have the funds we need to run a robust program in 2010 and it calls into question whether we have the resources to run a program in 2012. The statewide and legislative races in 2014 will be all but impossible to fund with the resources that could be accrued by then. Common Cause urges you to reject Governor Rell's budget cuts.**



The way I understand it, in 2010, the fund would normally get a transfer of \$17.3 million. \$6 million would be taken out of that balance to cover not only the SEEC's budget to administer the Citizen Election program, but it also covers their entire budget to do other work. SEEC's budget would not be entirely covered by that \$6 million – they show a deficit of \$1.7 million in FY 2010. Then the Governor's plan strips \$12 million from the \$11.3 remaining for grants, which leaves a negative balance of \$700,000. The balance for grants in 2011 would be roughly -\$840,000.

The Citizen Election fund balance is currently at \$43.9 million. Elections Enforcement estimates it will need \$52 million to run the program in 2010. The Governor's cuts means we would have roughly \$43 million for 2010 – or probably less because special election costs have not been factored in. Common Cause believes the costs for 2010 races could be higher than \$52 million because the assumptions SEEC makes to arrive at \$52 million don't assume as much competition and primaries as we would assume and it may underestimate the amount of independent expenditures for statewide races.

If we don't have enough money to run the program in 2010, and we have negative balances in 2010 and 2011, it will be very difficult to make up the ground we need to run legislative races in 2012 and impossible to make up the difference 2014. If we make the following assumptions:

1. We have no fund balance left over from 2010;
2. The Governor's cuts in 2011 remain;
3. The CEF gets a full \$17.3 grant in 2012;
4. We need to cover the SEEC's full budget of \$7 million in costs.

At this point I am skeptical that we would be left with a full allotment in 2012, but if the CEF did receive a full allotment, the fund would have \$10.3 million for grants for legislative races in 2012 – ***when a budget passes in the Spring of 2012. On January 1st, when the SEEC needs to report on the sufficiency of the fund, they will report that the fund has no money in it. This will be extremely destabilizing to candidates and they may choose to forgo participation in the program because they won't know if it will have any revenue – let alone sufficient revenue for the program.*** I am not sure whether \$10 million will be enough money to cover all races in 2012. Experience in other states that have public financing shows that participation increases over the years that a program is in effect.

If full allotments are available for 2013 and 2014, with the same kind of costs listed above, \$20 million would be available for statewide and General Assembly races in 2014. That will not adequately fund this important program.



The cuts the Governor proposes will not significantly help the state budget, but they are absolutely critical to the success of this small program. The Governor's cuts jeopardize the program's viability, because if candidates don't think they will be able to run a credible campaign under the system with the full grants, they will not participate.

The Citizen Election program is one of the Governor's most significant achievements and I hope she will reconsider these cuts which will decimate this good government program.

In the wake of tremendous scandal, thanks to the hard work of many people in this chamber and the Governor, Connecticut became the first state to pass the strongest set of campaign finance reforms through the legislative process.

The inaugural year of the Citizen's Election Program was an unqualified success. Seventy-five percent of all candidates for Connecticut's General Assembly ran under the Clean Elections program. By way of comparison, in the first year of implementation of Arizona's public financing law in 2000, only 25 percent of legislative candidates participated in the primary and only 14 percent in the general election. Only 33% of legislative candidates participated in Maine's clean money program in its first year of implementation in 2000. Since 2000, participation rates have significantly increased in those states, and 81% of candidates opted to use public financing in Maine in 2008, and almost two-thirds of all eligible candidates ran under Arizona's program.

Eighty-one percent, or 152 out of 187 of those elected to serve in the next General Assembly ran under the Clean Elections program. In the Connecticut Senate, 89 percent of the seats, or 32 of 36, will be held by Clean Elections officials. On the House side, Clean Elections officials will hold at least 120 of the 151 seats.

CC Opposes Moving SEEC into CEF

Finally, we oppose the Governor's plan to move the SEEC into the Citizen Election Fund. Moving the commission expenditures into the fund and cutting revenue to the CEF obscures the fact that resources for candidate grants are greatly diminished. By moving the entire budget of the SEEC into the fund, the net result of the move is to cut resources available for grants by roughly \$4 million (\$2 million of SEEC costs were already covered in earlier years) in 2010 and \$5 million a year for SEEC's budget (roughly \$2 million was covered in prior years) every year thereafter.

In addition, the SEEC does far more work than administer the Citizen's Election Program. The Commission administers and enforces all state election law. They conduct audits and issue advisory opinions, oversee the lobbyist and state contractor



bans, they monitor compliance with HAVA and many other duties. By moving all the costs for SEEC into the CEF, it can give the mistaken impression that a significant portion of the yearly CEF allocation goes to administration, rather than grants.

We understand that Connecticut faces a budget crisis. We also understand that every program needs to be reviewed and that cuts and pain must be shared. The Citizens Election program has already been cut by \$12.5 million. We believe further cuts are dangerous to the program and quite frankly, the Governor's plans will obliterate the Citizens' Election program. We urge you to reject the Governor's plans to slash the CEF funding, move the SEEC expenditures into the CEF fund, and repeal sorely needed safeguards for the watchdog agency budgets. Thank you for your time and consideration.

****Sec. 9-7c. Recommended appropriations. Allotments. (a) Notwithstanding any provision of the general statutes, the appropriations recommended for the State Elections Enforcement Commission, as established in section 9-7a, shall be the estimates of expenditure requirements transmitted to the Secretary of the Office of Policy and Management by the executive director of the commission and the recommended adjustments and revisions of such estimates shall be the recommended adjustments and revisions, if any, transmitted by said executive director to the Office of Policy and Management.***

(b) Notwithstanding any provision of the general statutes, the Governor shall not reduce allotment requisitions or allotments in force concerning the State Elections Enforcement Commission.

**Common Cause Connecticut is a nonpartisan, non-profit citizen lobby.
55 Oak Street, Hartford, CT 06510 860-549-1220 www.commoncause.org**

